

Frequently Asked Questions Regarding Supplemental Schedules for the 2006/2007 Rate Year

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Frequently Asked Questions Regarding Supplemental Schedules for the 2006/2007 Rate Year

Answers to General Supplemental Schedule Questions

What is the purpose of Supplemental Schedules 1 and 2?

The purpose of the Supplemental Schedules is to collect cost information that is required for AB1629 rate-setting purposes. In some cases, the information requested on the Supplemental Schedules is not currently visible on the facility's OSHPD Long-Term Care Facility Integrated Disclosure and Medi-Cal Cost Report (OSHPD Report) or the most recent facility-specific Audit Report. Supplemental information is combined with each facility's rate-setting data so that all data necessary to comply with AB1629 requirements are available to DHS.

Are Supplemental Schedules required to be submitted?

DHS requires Supplemental Schedules 1 and 2, regardless of whether the costs incurred by the facility are zero for any or all of the data components. In addition, a voluntary Supplemental Schedule may be completed for the 2006/2007 rate year to identify facility-specific capital renovations, modifications and improvements. The voluntary supplemental schedule will be available for download on DHS's website in the coming weeks.

What is the cost reporting period for the Supplemental Schedules 1 and 2?

The reporting period for Schedules 1 and 2 is the same period as your facility's OSHPD Report ending within calendar year 2004.

My facility submitted more than one OSHPD Cost Report ending in calendar year 2004. Do I have to submit Supplemental Schedules 1 and 2 for each OSHPD Report?

No. If your facility submitted more than one OSHPD Report in calendar year 2004, you must complete the Supplemental Schedules for the **most recent** reporting period containing at least six months of data.

Can I alter the worksheet contents, including modifying tab names, adding columns and rows, etc.?

No. Do not alter the tab names or data descriptions in the Excel workbook. Any altered worksheet formats will be rejected and excluded from the rate calculation.

For the 2006/2007 rate period, do I have to submit both Supplemental Schedule 1 and Supplemental Schedule 2?

Yes. DHS requires both supplemental schedules for: (1) freestanding skilled nursing facilities level-B (FS/NF-B), both publicly and privately operated and (2) subacute care units of FS/NF-Bs as defined in California Code of Regulations, title 22, section 51124.5.

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My facility changed ownership during calendar year 2004. Do I have to submit Supplemental Schedules for costs incurred by both owners?

No. Facility-specific rates will be based on the most recent OSHPD Report ending in calendar year 2004 containing at least six months of data. If the new owner has not yet submitted a report ending in calendar year 2004 with at least six months of data, the previous owner's data will be used for rate-setting purposes. In this scenario, it is the new owner's responsibility to work with the old owner to ensure supplemental schedules are submitted to DHS by the submission date.

Should I report total facility costs or only those attributable to the FS/NF-B or Subacute care unit of a FS/NF-B?

Costs reported on Supplemental Schedule 1 in columns A through I should reflect total facility costs that have been reported within the Administration line of your facility's OSHPD Report ending in 2004. Costs in columns M and N will contain expenditures that have been allocated to the FS/NF-B and the subacute care unit of the FS/NF-B, respectively, using the Accumulated Cost allocation ratios developed in columns J, K and L. Facilities should report the skilled nursing and subacute license fees paid to DHS in columns M and N, rather than use the allocation ratios to determine SNF and subacute attributable costs. Costs reported on Supplemental Schedule 2 include total costs, as well as agency expenditures specifically identified (or allocated) to the FS/NF-B and Subacute care unit of the FS/NF-B.

Where can I find the Supplemental Schedules on the DHS website?

Electronic versions of the schedules are available for download on DHS's AB 1629 website in a prescribed Excel format at:

<http://www.dhs.ca.gov/mcs/mcpd/RDB/LTCSDU/default.htm>

Where do I send my completed Supplemental Schedules?

It is preferable that the Supplemental Schedules be downloaded from the AB1629 website (<http://www.dhs.ca.gov/mcs/mcpd/RDB/LTCSDU/default.htm>) and returned to DHS in electronic format. Completed versions of the electronic schedules should be sent to supp1629@dhs.ca.gov by the submission due date.

What should I do if I can't submit the Supplemental Schedules electronically?

If electronic submission is not an option for your facility, please contact (916) 552-8613 for further instructions on transmitting these data.

What naming convention should be used for the files?

Label the electronic file with your facility's OSHPD Number (e.g., 206xxxxxx).

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What is the due date for submitting the Supplemental Schedules to DHS?

Both Supplemental Schedules 1 and 2 **must be completed and submitted by close of business on Monday, April 3rd, 2006**. Supplemental Schedules 1 and 2 submitted after this date will not be accepted, unless express permission to extend the due date is granted by DHS.

What are the consequences if I don't submit the Supplemental Schedules by the due date?

Facilities that do not submit both Supplemental Schedules by April 3rd, 2006 will not be reimbursed for their pass-through costs. In addition, these costs will remain in the fiscal period ending 2004 OSHPD Report and will be subject to the lower reimbursement ceilings related to the Administrative cost grouping.

Will Supplemental Schedule data be subject to audit or review?

Yes.

Is it important to enter the facility identifying information accurately?

Yes. The OSHPD ID and the end date on the Supplemental Schedules must tie to the facility's OSHPD Report used in rate-setting in order for supplemental data to be incorporated into the reimbursement rate. Input errors in either field will cause the supplemental report to be rejected.

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Answers to Supplemental Schedule 1 Questions

Why do I need to identify certain costs that are included in the Administration line of my facility's OSHPD Report?

Several of the costs outlined as pass-through costs in AB 1629, including caregiver training, liability insurance, and facility licensing fees are currently included within the Administration line of the OSHPD Report (Page 10.1, Line 165). Similarly, medical records costs are currently included within the Administration line, although AB 1629 requires these costs to be separately identified and reimbursed within the Indirect Care Labor cost category. In order to identify the costs that are currently bundled within the Administration line of the OSHPD Report, it is necessary to complete Schedule 1 – Detail of Administration Costs.

In line “6900 – Administration – Total”, what fields need to tie to my facility's OSHPD Report?

Column Description	Column	OSHPD Report Location
Salaries and Wages	A	Page 10.1 line 165 column 1
Benefits	B	Page 10.1 line 165 column 2
Other Expenses	C	Page 10.1 line 165 column 3
Total Expenses	D	Page 10.1 line 165 column 4
Adjustments to Salaries/Wages	E	N/A
Adjustments to Benefits	F	N/A
Adjustments to Other Expenses	G	N/A
Total Adjustments	H	Sum of Page 10.1 line 165 columns 5-13
Total Adjusted Expenses for Medi-Cal	I	Page 10.1 line 165 column 14
SNF Line 40	J	Page 11.1 line 40 column 10
Subacute Line 60	K	Page 11.1 line 60 column 10
Total Line 85	L	Page 11.1 line 85 column 10
SNF Attributable Expenses for Medi-Cal	M	N/A
Subacute SNF Attributable Expenses for Medi-Cal	N	N/A

What are the consequences if my facility fails to submit Supplemental Schedule 1?

Facilities that do not submit Supplemental Schedule 1 will not be reimbursed for the caregiver training, liability insurance, and facility licensing fee pass-through costs. For non-compliant facilities, these costs will remain in the fiscal period ending 2004 OSHPD Report (page 10.1, line 165, “Administration”) and will be subject to the lower reimbursement ceilings related to the Administrative cost grouping. In addition, facilities’ medical records costs will remain in the Administration line of the OSHPD Report, and will be subject to lower reimbursement ceilings associated with the Administrative cost grouping.

What constitutes caregiver training expenses and where should these expenses be reported on the OSHPD Report?

According to the OSHPD Accounting and Reporting Manual for California Long-Term Care Facilities, caregiver training expenses are costs incurred as part of a formal program of education that is organized to train employees to enter an occupation specialty. These costs, which are currently included in the Administration line of the OSHPD Report, are further

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defined in the OSHPD Accounting and Reporting Manual Section 1141 under “Formal Education and Research Programs.”

If my facility self insures for professional liability insurance, how should costs be reported on Supplemental Schedule 1?

The Medicare principles of reimbursement outlined in the Provider Reimbursement Manual (CMS Publication 15-1, relevant sections posted on DHS's AB 1629 website) will be used to determine allowable costs for malpractice and comprehensive general liability protection.

What is the purpose of the apportionment factors on Supplemental Schedule 1?

The apportionment factor will be used to calculate the FS/NF-B and Subacute portions of the reported facility total cost for the caregiver training, medical records, and professional liability insurance costs. License fees are not calculated using the apportionment factor; the FS/NF-B and subacute attributable costs should be input by the facility in columns M and N. Only the Medi-Cal portion of the pass-through costs for the FS/NF-B or Subacute care unit of the FS/NF-B is reimbursable per AB 1629.

Frequently Asked Questions Regarding Supplemental Schedules for the 2006/2007 Rate Year

Answers to Supplemental Schedule 2 Questions

What costs should be reported on Supplemental Schedule 2?

Costs reported on Supplemental Schedule 2 should include the labor expenses attributable to employees of contract agencies that work under the general supervision of nursing facility personnel but that would not, under labor law, be considered nursing facility employees.

If my facility does not contract out for support services listed on Supplemental Schedule 2, do I still need to submit this report?

Yes, even if your facility does not contract out for these services, you must submit a Supplemental Schedule 2 and input zeros in the required input fields.

Should indirect agency expenses on Supplemental Schedule 2 reconcile to any amount in my facility's OSHPD Report?

According to the OSHPD Accounting and Reporting Manual for California Long-Term Care Facilities, temporary staffing agency costs should be reported on the appropriate line item on page 10.1, column 3 ("Other Expenses") of the OSHPD Report. None of the five cost components reported on Supplemental Schedule 2 should be greater than the corresponding line item on page 10.1 column 3 "Other Expenses" of the OSHPD Report. For instance, the housekeeping indirect agency expenses submitted on a Supplemental Schedule 2 should not be greater than the housekeeping "Other Expenses" amount detailed in page 10.1, column 3 of the corresponding OSHPD Report.

If my facility cannot directly identify the agency-related costs for the FS/NF-B or subacute care unit of the FS/NF-B on Supplemental Schedule 2, how do I determine the amounts to report in Columns B and C?

If your facility cannot specifically identify the costs attributable to the FS/NF-B or subacute unit of the FS/NF-B, costs reported on Supplemental Schedule 2 will need to be allocated using the approved OSHPD allocation methodology. Costs should be allocated on the statistical basis identified on page 11.1 of your facility's OSHPD Reported submitted with an end date in 2004. See the Supplemental Schedule Instructions for additional detail on the appropriate allocation methodology.

**PLEASE DO NOT ATTEMPT TO COMPLETE THE SUPPLEMENTAL
SCHEDULES WITHOUT FIRST CAREFULLY READING THE INSTRUCTIONS.**